

Purchased Water Adjustment Form 1  
July 2014PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND WATER ASSOCIATIONS  
(807 KAR 5:068)**RECEIVED****MAR 15 2018****PUBLIC SERVICE  
COMMISSION**

Name of Utility	NEBO WATER DISTRICT		
Date	FEBRUARY 22, 2018		
Address	45 BERNARD STREET		
City, State, Zip	NEBO, KY	42441	
Telephone Number	270-249-3709		
Email Address	<a href="mailto:nwdoffice@yahoo.com">nwdoffice@yahoo.com</a>		

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

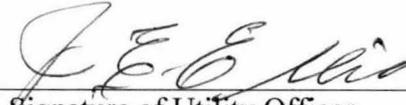
Supplier(s)	Base Rate	Changed Rate
CITY OF MADISONVILLE	\$4.39/1,000 GALLONS	\$3.97/1,000 GALLONS
WEBSTER CO. WATER DISTRICT	\$3.70/1,000 GALLONS	\$3.70/1,000 GALLONS

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	JANUARY 1, 2017	through	DECEMBER 31, 2017
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
CITY OF MADISONVILLE	104,511,000
WEBSTER CO. WATER DISTRICT	578,000
<b>TOTAL PURCHASES</b>	105,089,000
4. Total gallons sold for the 12 month period	79,908,000
5. Increased water cost	( \$ 43,894.62)
<p>The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate. The calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation is attached as Exhibit</p>	
6. Purchased water adjustment factor	(.55) PER 1,000 GALLONS
<p>The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.</p>	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice.</p>	
7. A schedule listing the current and proposed rates is attached as Exhibit	
8. A copy of the resolution or other document of the utility's governing body authorizing the proposed rates is attached as Exhibit	
9. Proposed effective date	MARCH 31, 2018
	
Signature of Utility Officer	
CHAIRMAN	
Title	

## Nebo Water District

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)	<u>OLD RATE</u> (per 1,000)
City of Madisonville	\$3.9700	\$4.3900
Webster County Water District	\$3.7000	\$3.7000

TWELVE MONTH TEST PERIOD: January 2017 through December 2017

<u>SUPPLIER</u>	<u>GALLONS PURCHASED</u> <u>DURING TEST PERIOD</u>
City of Madisonville	104,511,000
Webster County Water District	578,000
<b>TOTAL</b>	<b>105,089,000</b>

<u>SUPPLIER</u>	<u>COST AT</u> <u>NEW RATE</u>	<u>COST AT</u> <u>OLD RATE</u>	<u>DECREASED</u> <u>WATER COST</u>
City of Madisonville	\$414,908.67	\$458,803.29	
<b>TOTAL</b>	<b>\$414,908.67</b>	<b>\$458,803.29</b>	<b>= (\$43,894.62)</b>

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 79,908,000

Decreased Water Cost / ( total gallons sold / 1,000) = Purchased Water Adjustment Factor

(\$43,894.62)	/	79,908,000	/1000	=	-0.54931446
				ROUNDED	<b>-0.55</b>

	<u>Sold</u>	<u>Purchased</u>	<u>Sold</u>	<u>Purchased</u>
January	-	-	-	-
February	-	-	-	-
March	-	-	-	-
April	-	-	-	-
May	-	-	-	-
June	-	-	-	-
July	-	-	-	-
August	-	-	-	-
September	-	-	-	-
October	-	-	-	-
November	-	-	-	-
December	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Form for filing Rate Schedules

For Hopkins County, Kentucky  
Community, Town or City

P.S.C. NO.

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Cancelling PSC No. 2017-000329

Nebo Water District  
Name of Issuing Corporation

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Minimum Water Rates Based on Size Connections

<u>Size of Water Meter Connections</u>	<u>Number of Gallons or Less of Per Month to be Provided for the Minimum Rate</u>	<u>Minimum monthly Water Rate Per Connection</u>
5/8 inch x 3/4 inch	2,000 gallons	\$21.73
1 inch	4,000 gallons	39.45
1-1/2 inch	10,000 gallons	89.61
2 inch	20,000 gallons	168.31
3 inch	30,000 gallons	242.01
4 inch	50,000 gallons	389.41

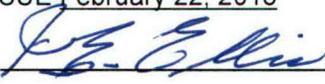
Meter Rates for Water Usage in Addition to Minimum Charge

Subject to the minimum monthly water rate specified above, the following metered charges shall be made for water consumption per month to customers of all size connections:

<u>Number of Gallons of Water per Month</u>	<u>Monthly Charge per 1,000 Gallons</u>
First 2,000 gallons	\$21.73
Next 2,000 gallons	8.86
Next 6,000 gallons	8.36
Nest 10,000 gallons	7.87
All over 20,000 gallons	7.37

DATE OF ISSUE February 22, 2018

DATE EFFECTIVE: March 31, 2018

ISSUED BY 

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. \_\_\_\_\_  
dated \_\_\_\_\_.

For: HOPKINS COUNTY, KENTUCKY

PSC KY Number: \_\_\_\_\_

Sheet No. 1

Cancelling PSC KY Number: 2017-00329

Sheet No. \_\_\_\_\_

NEBO WATER DISTRICT

*(Name of Utility)*

**MONTHLY WATER RATES**

**5/8- INCH METER**

FIRST 2,000 GALLONS	\$ 21.73 MINIMUM BILL
NEXT 2,000 GALLONS	8.86 PER 1,000 GALLONS
NEXT 6,000 GALLONS	8.36 PER 1,000 GALLONS
NEXT 10,000 GALLONS	7.87 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.37 PER 1,000 GALLONS

**1-INCH METER**

FIRST 4,000 GALLONS	\$ 39.45 MINIMUM BILL
NEXT 6,000 GALLONS	8.36 PER 1,000 GALLONS
NEXT 10,000 GALLONS	7.87 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.37 PER 1,000 GALLONS

**1 1/2-INCH METER**

FIRST 10,000 GALLONS	\$ 89.61 MINIMUM BILL
NEXT 10,000 GALLONS	7.87 PER 1,000 GALLONS
OVER 20,000 GALLONS	7.37 PER 1,000 GALLONS

**2-INCH METER**

FIRST 20,000 GALLONS	\$168.31 MINIMUM BILL
OVER 20,000 GALLONS	7.37 PER 1,000 GALLONS

**3-INCH METER**

FIRST 30,000 GALLONS	\$242.01 MINIMUM BILL
OVER 30,000 GALLONS	7.37 PER 1,000 GALLONS

**4-INCH METER**

FIRST 50,000 GALLONS	\$389.41 MINIMUM BILL
OVER 50,000 GALLONS	7.37 PER 1,000 GALLONS

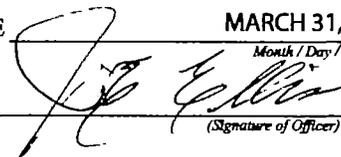
DATE OF ISSUE FEBRUARY 22, 2018

*Month / Day / Year*

DATE EFFECTIVE MARCH 31, 2018

*Month / Day / Year*

ISSUED BY \_\_\_\_\_



*(Signature of Officer)*

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**NEBO WATER DISTRICT**

**COMPARISON OF RATES-2018**

		<u>MINIMUM BILL</u>	<u>CURRENT</u>	<u>PROPOSED</u>	
<b>5/8" X 3/4" METER</b>		<b>2,000 GALLONS</b>	<b>22.83</b>	<b>21.73</b>	
<b>1" METER</b>		<b>4,000 GALLONS</b>	<b>41.65</b>	<b>39.45</b>	
<b>1 1/2" METER</b>		<b>10,000 GALLONS</b>	<b>95.11</b>	<b>89.61</b>	
<b>2" METER</b>		<b>20,000 GALLONS</b>	<b>179.31</b>	<b>168.31</b>	
<b>3" METER</b>		<b>30,000 GALLONS</b>	<b>258.51</b>	<b>242.01</b>	
<b>4" METER</b>		<b>50,000 GALLONS</b>	<b>416.91</b>	<b>389.41</b>	
 <b>USAGE RATES</b>					
<b>FIRST</b>	<b>2,000</b>	<b>GALLONS</b>	<b>22.83</b>	<b>21.73</b>	<b>MINIMUM BILL</b>
<b>NEXT</b>	<b>2,000</b>	<b>GALLONS</b>	<b>9.41</b>	<b>8.86</b>	<b>PER 1,000 GALLONS</b>
<b>NEXT</b>	<b>6,000</b>	<b>GALLONS</b>	<b>8.91</b>	<b>8.36</b>	<b>PER 1,000 GALLONS</b>
<b>NEXT</b>	<b>10,000</b>	<b>GALLONS</b>	<b>8.42</b>	<b>7.87</b>	<b>PER 1,000 GALLONS</b>
<b>OVER</b>	<b>20,000</b>	<b>GALLONS</b>	<b>7.92</b>	<b>7.37</b>	<b>PER 1,000 GALLONS</b>



**Berry Kington & Utley** PSC  
Certified Public Accountants

2822 North Main Street ■ Madisonville, KY 42431  
Phone 270-821-3355 ■ Fax 270-821-0101

January 22, 2018

Mr. Cory Alexander  
City Finance Director/Treasurer  
City of Madisonville, Kentucky  
67 North Main Street  
Madisonville, KY 42431

Dear Cory:

We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the Nebo Water District.

We prepared the Cost Review Formulas using June 30, 2017 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2017 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the Nebo Water District is \$3.97 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 31, 2018 to March 31, 2019.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,

Charles A. Kingtor, CPA



# NEBO WATER DISTRICT

45 NORTH BERNARD  
NEBO, KENTUCKY 42441  
PHONE: (270) 249-3709  
FAX: (270) 249-3714

## Special Called Meeting

February 22, 2018

9:00 a.m.

The Nebo Water District Commissioners had a special called meeting on February 22<sup>nd</sup> to discuss the proposed rate increase. On February 2<sup>nd</sup> the Nebo Water District received a letter from the City of Madisonville informing the District of their intention of decreasing the Wholesale rate by 42 cents per 1000 gallons. The Commissioners voted to decrease the customer's current rate by .55 cents per 1000 gallons in accordance with the formula figured by their accountant Michael L. Overby C. P. A. This decrease would go into effect for water purchased after March 31<sup>st</sup> 2018.

Commission Chairman

A handwritten signature in blue ink, appearing to read "J E Ellis".

J E Ellis